


CITY OF SUNNYVALE
Department of Parks and Recreation

November 20, 2003

TO: Honorable Mayor and City Councilmembers
Parks and Recreation Commissioners

THROUGH: Robert S. LaSala, City Manager 

FROM: Robert A. Walker, Director of Parks and Recreation 

SUBJECT: Senior Lunch Program—Rumor Control

As Council knows, the budget crisis has prompted a number of service level reductions and related public concern. Despite the fact that there has been no reduction to date in services provided our seniors, they are not exempt from worry and speculation regarding the future. This memo is simply to remind Council regarding the status of the Senior Lunch Program, given a recent rise in related rumors and concern. It bears noting that staff has kept the Senior Advisory Committee informed regarding all of the following and will continue to do so in the future.

Staff considers the Lunch Program one of the more important and popular activities provided by the City to its seniors. The lunch program used to be called the "senior nutrition program," but this was a misnomer. Unlike other government-subsidized programs, our lunch does not seek to provide a low-cost nutritious meal to those who can't otherwise afford a decent meal, so much as it seeks to provide a social venue for members of the Sunnyvale Senior Center. Its primary focus has always been more of a social gathering, and the quality of meals (and size of portions) provided has always far surpassed those of the typical "nutrition" program. While staff takes nutrition into account when determining menus and developing recipes, it does not shy away from offering rich desserts or saltshakers to those who care to indulge.

While among the more popular of senior programs, it is also one of the most expensive. This has always been a costly activity, subsidized heavily by the General Fund. The current budget (FY 2003/2004) reflects a subsidy of \$115,000. Last year, the

actual subsidy was approximately \$130,000. In fact, those subsidy figures would be much higher were it not for the creative solutions discussed below.

There are some inherent challenges in providing this type of service efficiently and effectively. The most obvious have to do with the difficulties in maintaining a qualified workforce for just a portion of the day (you don't really need a full-time workforce to produce a lunch, but staff has been unable to retain qualified part-time staff for this type of function). A variety of solutions have been tried over the years, some of which preceded my tenure as director. Years ago, staff attempted a collaborative effort with the Denny's restaurant on Mathilda Avenue, whereby seniors visited that establishment for lunch. That turned out to be neither efficient nor effective. Other attempts to leverage the lunch staff to best advantage have included assigning them the operation of the Sunken Gardens Restaurant (largely unsuccessful due to the City's inability to procure a liquor license). Most recently, the Parks and Recreation Department established its own catering business using the lunch program staff, which was essentially cost neutral, but which helped offset labor costs otherwise charged to the lunch program. Unfortunately, both catering and the senior lunch program relied heavily on "temporary" labor to keep costs low. In fact, a number of these "temporary" staff worked for the City for many years. Staff brought this questionable practice to Council's attention a year ago, and the existing budget no longer reflects the use of temporary staff for what are actually on-going jobs. The use of regular full-time employees, however, only increases the required program subsidy and the challenge of operating an efficient lunch program.

Keeping Council informed is a priority for this office. Prior to the adoption of this year's budget (FY 2003/2004), staff raised challenges related to the senior lunch program to Council's attention in both the City Manager's budget transmittal and in Attachment E to the City Manager's "Service Reductions Implementation Plan." In the latter document, staff indicated that:

"Unless Council wants to *increase* the budget relative to food services, staff plans to take one of three actions over the course of the coming Fiscal Year. First, staff will attempt to find a contractor who is willing to manage the City's senior lunch program at no cost to the City (and at the same or similar cost to senior customers) in exchange for the right to use the new kitchen being constructed at the new Senior Center, and for the exclusive right to cater all events permitted and conducted at the City's Community Center. Should staff fail to secure such an arrangement, it would work next with the senior population in an attempt to reduce expenses associated with the lunch program (quality of dishes; size of portions, etc.) and increase fees such that it could sustain itself without any subsidy from the General Fund or catering operations. Should this fail, staff would recommend that it work with the senior population to prioritize senior program and activity offerings in such a way as not to exceed its current subsidy level (in other words, if the lunch program is the most important to the seniors, subsidize it to the required level by eliminating other activities deemed less important to them)."

Staff is currently acting in accordance with this action plan previously shared with Council. A pilot program is being entered into with a contractor (no loss of City positions during pilot) that will allow both the City and the contractor to "test the waters" for the remainder of this fiscal year. In the meantime, three provisional employees continue to work for the City's lunch program (two of the other five food service positions were vacated this year and will not be filled until staff determines the viability of the pilot contract). The Parks and Recreation Commission has requested a special study session on the senior lunch program, and staff has agendaized that for December 10, 2003. This will no doubt be an area that receives a good deal of the Commission's attention during its review of the proposed budget for FY 2004/2005 and FY 2005/2006 as well.

Everything staff is doing is intended to protect the general framework of the senior lunch program in the face of increasingly difficult financial times. While Council will certainly have the option of increasing the budget for the senior lunch program in future years, staff believes the budget crisis is going to make Council's job of balancing the budget increasingly difficult and painful over the next few years at least. In fact, given cost increases associated with staff salaries, health care costs, pension funds, and given a souring economy with decreasing revenues, staff believes it may be difficult for Council to maintain *existing* funding levels across all Departments. And when it comes to Recreation Programs, a number of services are self-sufficient---given our Enterprise Fund philosophy---and would not save the City money by being eliminated. Those still requiring a subsidy tend to be those which would be least attractive to reduce from a public policy perspective. They are those that serve our youth, senior, disabled and low-income. The bottom line is that staff has been working for some time to create efficiencies which will hopefully make it easier for Council to maintain these existing programs. To some degree that means exploring different ways of doing business, and that always generates some concern on the part of the public. Staff will do its best to address rumors as they arise and will continue to work with the Senior Advisory Committee and the Parks and Recreation Commission. Staff hopes to present to Council a proactive solution to this issue in the context of the City Manager's budget recommendations for FY 2004/2005 and FY 2005/2006. This assumes a successful pilot contract and no further reductions in funding for the City's Recreation Programs. Should either of these tenuous assumptions change, staff will be prepared to work diligently toward whatever direction Council provides.

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- c. John Lawrence, Recreation Superintendent
Tricia Lord, Recreation Supervisor, Senior Services
Senior Advisory Committee